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MEMO ENDORSED

February 14, 2008

BY FAX

Hon. P. Kevin Castel, U.S.D.J.
United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007

Re: **Luminent Mortgage Capital, Inc. et al v. HSBC Securities (USA) Inc.**
07 Civ. 9340 (PKC)

Your Honor:

This office represents Plaintiffs in the above captioned matter. We write on behalf of all parties to this action in reference to Plaintiffs' letter to the Court dated February 1, 2008, and the Court's subsequent order dated February 4, 2008.

On Friday, February 8th counsel for the parties met in person and conferred for several hours on the matters raised in Plaintiffs' February 1st letter, as directed by the Court. Although those issues have not yet been fully resolved, the parties believe that there is a reasonable chance that they will be resolved shortly. Accordingly, the parties request an additional week (until February 22, 2008) to attempt to finalize their discussions.

Finally, the parties recently exchanged answers to interrogatories and responses to document requests. They also began to confer on potential disputes related to that discovery during their February 8th meeting, and are hopeful that those discussions will minimize or obviate the need for judicial intervention on issues related to document discovery and interrogatories.

Respectfully submitted,


Michael E. Petrella

cc: Jeffrey Rosenthal, Esq. (via e-mail)

TOTAL P.002